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Sessional Committee I

PROTECTIONISM AND STRUCTURAL ADJUSTMENT AND, IN CONJUNCTION THEREWITH, OUTCOME OF THE URUGUAY ROUND ON DEVELOPMENT AND ISSUES OF PARTICULAR CONCERN TO THE DEVELOPING COUNTRIES, IN ACCORDANCE WITH PARAGRAPH 105 (8) OF THE FINAL ACT OF UNCTAD VII

Draft resolution submitted by India on behalf of the States members of the Group of 77

The Trade and Development Board,

Recalling United Nations General Assembly resolution 1995(XIX) of 30 December 1964, the Final Act of UNCTAD VII and Board decision 367(XXXV) of 17 March 1989 and resolution 380(XXXVI) of 26 March, 1990,

1. Calls upon Governments to take specific measures to fulfil commitments to halt and reverse protectionism as agreed in the Final Act of UNCTAD VII, taking in particular into account the export interests of developing countries, and reiterates the need to take expeditious and concrete structural adjustment actions favourable, in particular, to the widening of markets for products in which the developing countries have or may develop comparative advantage;

2. **Urges** the States members of UNCTAD concerned and economic groupings having competence in the area of trade policy to establish, as part of their fight against protectionism, independent and transparent mechanisms to evaluate and review protectionist measures in an economy-wide context and their effects on the export interests of developing countries. In this regard, **requests** the Secretary-General of UNCTAD to prepare a report for the consideration of the Board identifying possible features of such mechanisms;

3. **Notes** with appreciation the extensive unilateral trade liberalization measures implemented by developing countries. **Affirms** that the continuation of this process and its success in promoting their sustained development requires specific complementary measures by developed countries to provide improved access to their markets, to distribution channels, to financial resources, to technology and to other essential prerequisites for fostering their competitive capacities and enabling them to derive optimum benefit from international trade;

4. **Expresses** concern at the discriminatory and frequent use of tariff and non-tariff measures against the exports of developing countries and the extent to which non-tariff measures applied against developing-country exports adversely affect their trade and development interests and their structural adjustment efforts. Calls upon developed countries, including in the Uruguay Round context, to reduce and eliminate such measures and **decides** to continue to monitor developments in this area;

5. **Recognises** that the preferential margins of the GSP schemes have been progressively eroded. In this regard calls upon preference-giving countries to improve substantially their GSP schemes;

6. **Recognises** also that efforts towards transformation of the economies of Eastern Europe through the adoption of market-oriented reforms and their progressive integration into the world trading and financial system and the developments in the patterns of East/West trade and economic relations should be such as to facilitate and enhance their trade and economic co-operation with developing countries and individual countries of Eastern Europe. In this context, **decides** to follow closely the implications of the reform processes, including their impact on the trade and development prospects for developing countries, and **requests** the Secretary-General of UNCTAD to cover these developments in relevant documentation;

7. **Notes** that the General Assembly affirmed in paragraph 4 of its resolution 45/203 that the outcome of the Uruguay Round of multilateral trade negotiations should be conducive to a significant enhancement of the prospects for trade, economic growth and development of all countries, especially developing countries, in particular through the provision of substantially increased market access for exports;

8. **Welcomes** the decision to continue the Uruguay Round of multilateral trade negotiations, which provides an opportunity for reaching a balanced and successful outcome of the Round. **Emphasizes** that the Round should result in the liberalization and expansion of world trade to the benefit of all countries, especially developing countries, and should contribute positively to the building up and strengthening of the infrastructure and technological capacities of the developing countries;

9. **Requests** the Secretary-General of UNCTAD to bring to the attention of the Director General of the GATT, in his capacity as Chairman of the TNC at senior official level, the concerns expressed in the Trade and Development Board regarding developments and issues in the Uruguay Round of particular interests to developing countries and **requests** developed countries participants in the negotiations to take these concerns into account;

10. **Notes** that the decision to resume the Uruguay Round reaffirmed the requirement that an effective evaluation be conducted of the extent to which objectives relating to differential and more favourable treatment for developing countries are being attained with respect to all issues of interest to them. **Urges** that this evaluation be done sufficiently in advance for the results to be incorporated in the final outcome of the Round;

11. **Notes** with appreciation the technical assistance being provided by UNCTAD to developing countries to facilitate their effective participation in the Uruguay Round and **invites** UNDP to continue the provision of financial resources adequate for this purpose for the duration of the Round and thereafter for the implementation of its results;

12. **Recommends**, in the light of paragraph 7 of General Assembly resolution 45/203, that the Conference, at its eighth session, analyse and assess the outcome of the Uruguay Round, in particular in areas of interest or concern to developing countries;

13. **Affirms** that, in accordance with General Assembly resolution 45/203, UNCTAD will continue to follow closely and analyse developments that have a major impact on international trade relations, including economic integration and policy reform in the world economy, technological change and the growing linkage between flows of investment and trade in goods and services, and to follow closely developments and issues related to economic integration processes, especially those with a major impact on the trade and development of the developing countries. **Requests** Secretary-General of UNCTAD to take necessary steps in order to integrate the above-mentioned issues in the programme of work of the secretariat, the Board and the main Committees;

14. **Affirms** that special problems of the least developed countries be given particular attention in undertaking the measures specified in this resolution.